



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

June 19, 2014

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To: Supervisor Don Knabe, Chairman
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From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support SB 1138 (Padilla).** This measure would require all labels of fresh, frozen, or processed fish and shellfish, wild or farm raised, to clearly identify the species of fish or shellfish being offered for sale by its common name. Therefore, unless otherwise directed by the Board, consistent with: 1) existing approved policies to support legislation that enhances food safety programs and regulations; and proposals that increase protections for consumers against fraud, scams, and unfair or deceptive business practices; and 2) prior Board action related to the appropriate and correct labeling of seafood at wholesale processors, restaurants, and retail markets, **the Sacramento advocates will support SB 1138.**
- **Change in County Position on Legislation**
 - **County-support-and-amend AB 1793 (Chau)** - related to a request for proposals to identify up to six nonprofit organizations to accept responsibility for enforcing the affordability deed restrictions on homeownership units of a former redevelopment agency, was amended on June 17, 2014. **Therefore, the Sacramento advocates will remove support for AB 1793 and take no position on this measure.**

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Pursuit of County Position on Legislation

SB 1138 (Padilla), which as amended on June 11, 2014, would require all labels of, and retail food facility menus that include, fresh, frozen, or processed fish and shellfish, wild or farm raised, to clearly identify: 1) the species of fish or shellfish being offered for sale by its common name; 2) whether the fish or shellfish was farm raised or wild caught; and 3) whether the fish or shellfish was caught domestically or imported. SB 1138 clarifies that if the common name for a species of fish or other seafood is not defined by the California Department of Public Health, then "common name" shall mean the common name for any seafood species identified in the Seafood List issued by the Federal Food and Drug Administration.

Under existing law, any food item is deemed misbranded if labeling is false or misleading in any way and if it is offered for sale under the name of another food, or if someone knowingly sells, or offers for sale, fish or shellfish that is mislabeled. Current law designates the California Department of Public Health (CDPH) for administrative oversight of the Federal Sherman Food, Drug, and Cosmetic Law (Sherman Act), which regulates the contents, packaging, labeling, and advertising of food, drugs, and cosmetics. Upon the request of local health officers, CDPH may authorize local health departments to enforce the Sherman Act.

SB 1138 would strengthen current law related to the labeling and branding of fish or shellfish to require labels to include specified information. Under the measure's provisions, knowledge of misbranding is presumed if the person selling the fish or shellfish fails to provide product documentation demonstrating that the fish or shellfish was mislabeled at the time the individual received it.

According to the author of SB 1138, a two year study of fish sold in San Francisco, Monterey, and Los Angeles, found that 90 percent of sushi samples were mislabeled in Los Angeles, 38 percent of all fish were mislabeled in Northern California, and that Southern California leads the nation in mislabeled fish. The author further notes that mislabeling can lead to the consumption of seafood that is unhealthy and dangerous. To this point, the author cites the United States Environmental Protection Agency's warning that unhealthy levels of mercury, found in specific fish, can cause impaired neurological development in fetuses and children.

The Department of Public Health indicates that, if enacted, SB 1138 would have minimal fiscal and programmatic impact on the Department, as DPH already provides regulatory oversight of food package labels through their routine inspections and complaint investigations of retail establishments. DPH further states that SB 1138

would: 1) provide clarity and guidance for industry packers, such as processors, manufacturers, distributors, etc.; 2) assist regulators in identifying non-compliant or misbranded seafood labels; and 3) help consumers become familiar with standardized common seafood names.

The Department of Consumer Affairs (DCA) indicates that SB 1138, if enacted, would serve to protect residents and consumers within the County from inadequate, confusing, or misleading information about seafood products. In addition to protecting consumers from fraudulent and deceptive business practices, DCA indicates that SB 1138 would help ensure that consumers avoid paying higher prices for low quality seafood, and that health risks are minimized as a result of consumers being better informed about the type of seafood they are purchasing and consuming.

The Department of Agricultural Commissioner/Weights and Measures (ACWM) indicates that while ACWM is responsible for enforcing certain labeling requirements in terms of statements of identity, quantity, and responsibility, SB 1138 would have no direct impact on ACWM, as any changes to the California Health and Safety Code fall outside of ACWM's area of responsibility.

This office and the Departments of Public Health, Agricultural Commissioner/Weights and Measures, and Consumer Affairs support SB 1138. Therefore, unless otherwise directed by the Board, consistent with: 1) existing approved policies to support legislation that enhances food safety programs and regulations; and proposals that increase protections for consumers against fraud, scams, and unfair or deceptive business practices; and 2) prior Board action related to the appropriate and correct labeling of seafood at wholesale processors, restaurants, and retail markets, **the Sacramento advocates will support SB 1138.**

SB 1138 is sponsored by Oceana and supported by: the Center for Oceanic Awareness, Research & Education; Del Mar Seafood's Incorporated; Marine Life Studies; Natural Resources Defense Council; Ocean Conservancy; Sierra Club; Taylor's Market; and Turtle Island Network, among others. There is no registered opposition to this measure.

SB 1138 passed the Assembly Agriculture Committee by a vote of 7 to 0 on June 18, 2014. This measure now proceeds to the Assembly Appropriations Committee.

Change in County Position on Legislation

County-support-and-amend AB 1793 (Chau), which as introduced on February 18, 2014, would: 1) require the California Housing Finance Agency, on or before July 1,

2015, to conduct a request for proposals to identify up to six nonprofit organizations to accept responsibility for enforcing the affordability deed restrictions on homeownership units of a former redevelopment agency, from a city, county, city and county, or housing authority; 2) authorize a city, county, city and county, or housing authority that has elected to retain the housing assets and function previously performed by a redevelopment agency to transfer responsibility associated with enforcing the affordable deed restrictions on homeownership units to one of the qualified nonprofit organizations identified; and 3) require the nonprofit organization to provide an annual audit of below market rate units to the donating city, county, city and county, or housing authority, and would require the city, county, city and county, or housing authority to publish the audit on its website, was amended on June 17, 2014.

As amended, the bill would now require that a housing successor agency include in its annual independent financial audit an inventory of homeownership units assisted by the former redevelopment agency or the housing successor agency that are subject to covenants, restrictions, or an adopted program that protects the former redevelopment agencies investment of Low and Moderate Income Housing Funds. The provisions to identify nonprofit organizations as eligible to assume responsibility for enforcing the affordability restrictions on homeownership units and to allow a city, county, or housing authority to transfer those responsibilities to the eligible nonprofits have been deleted.

The Housing Authority of the County of Los Angeles and County Counsel have reviewed AB 1793, as amended, and report that existing law requires the housing successor agency to provide an annual independent financial audit of the fund to its governing body, and to post on its website specified information, including expenditures for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the former redevelopment agency or the housing successor agency. As amended, AB 1793 would simply add another reporting requirement to an already existing mandate. Furthermore, by deleting the language to allow for the possibility of transferring responsibility for monitoring of affordability covenants, the measure would no longer afford housing successor agencies the flexibility to transfer those duties and related ongoing costs. Therefore, **the Sacramento advocates will remove support for AB 1793 and take no position on the measure.**

We will continue to keep you advised.

WTF:RA
MR:KA:IGEA:ma

c: All Department Heads
Legislative Strategist